

COMPACT GOAL

The five-year, \$698 million compact will stimulate economic growth, increase household incomes, and raise the quality of life in program areas through targeted infrastructure investments in transportation, energy and water.

COMPACT AT A GLANCE

Compact Signed	02-17-2008
Entry Into Force	09-17-2008
Compact End Date	09-17-2013
Compact Total	\$698,136,000
Amount Committed	\$616,355,462
Amount Expended	\$320,750,856
Estimated Program Beneficiaries	5,425,013
Estimated Increase in Household Income	\$1,336,000,000

% OF TOTAL COMPACT BUDGET (USD MILLIONS)

53%	Transport Sector Project	\$366.8
30%	Energy Sector Project	\$207.2
9%	Water Sector Project	\$64.2
7%	Program Administration And Control	\$46.0
1%	Monitoring And Evaluation	\$8.2



■ Project Preparation ■ Project Implementation

Transport Sector Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹	
	\$366,868,465	\$343,775,292	\$165,791,113	
<p>Increase cash crop revenue and tourism by paving and upgrading of more than 430 kilometers of trunk roads on the mainland; upgrading Mafia Island Airport; paving and upgrading 35 kilometers of rural roads on Pemba Island; and providing support to enhance Tanzania's capacity to maintain its road network and improve road safety.</p>	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div> <div><div>Mainland Trunk Roads</div><div>Zanzibar Rural Roads</div><div>Road Maintenance</div><div>Mafia Island Airport</div></div> <div><div>PRESENT</div></div>			
<p>Projected Long-Term Results (Up to 20 years)</p>				
<p>ESTIMATED BENEFICIARIES</p> <p>1,624,552</p>	<p>ESTIMATED INCREASE IN HOUSEHOLD INCOME</p> <p>\$427,000,000</p> <p>20-year projected benefits are based on the best, currently available, information and may be updated if new, more reliable, data are available.</p>	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Pave and improve 430 kilometers of high-traffic roads on Tanzania's mainland; pave and improve 35 kilometers of rural roads on Pemba Island; and pave 1.4 kilometers of airport runway with associated site improvements for the Mafia Island Airport.</p>	<p>PROGRESS TO DATE</p> <p>Construction contracts for all six Mainland Trunk Road Activity segments (over 430 kilometers), Pemba Rural Roads, and Mafia Island Airport Activity have been signed and construction is under-way. The first contracted Mainland Trunk Road Activity (from Tanga to Horohoro) is scheduled for completion in the fourth quarter of 2012.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>In collaboration with MCC and other donors, the Government of Tanzania established a new National Road Safety Policy approved by the cabinet in 2009. Road maintenance expenditures are on track.</p>

Energy Sector Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
	\$207,239,228	\$189,162,175	\$99,683,292
<p>Increase economic activity by improving electricity service through several activities: installation of a 100 MW submarine transmission cable from mainland to Zanzibar; constructing approximately 3,000 kilometers of distribution lines in seven regions, and upgrading supporting substation infrastructure; providing solar photovoltaic systems in Kigoma; technical assistance.</p>	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div> <div><div>Zanzibar Interconnector</div><div>Malagarasi Hydropower & Kigoma Distribution</div><div>Distribution Systems Rehab & Extension</div></div> <div><div>PRESENT</div></div>		
<p>Projected Long-Term Results (Up to 20 years)</p>	<p>ESTIMATED BENEFICIARIES</p> <p>1,564,499</p>	<p>ESTIMATED INCREASE IN HOUSEHOLD INCOME</p> <p>\$934,000,000</p> <p>20-year projected benefits are based on the best, currently available, information and may be updated if new, more reliable, data are available.</p>	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Increase in the quantity of electricity sold and number of connected customers by the end of the project in six regions on the mainland and in Zanzibar; and a 15 percent reduction in the frequency and duration of power outages.</p> <p>PROGRESS TO DATE</p> <p>All construction is underway. The interconnector has been manufactured and shipped to Tanzania. Feasibility study for a hydropower plant at a new location on the Malagarasi River is complete. Contractor for the solar photovoltaic program in Kigoma has started work.</p> <p>PROJECT ACHIEVEMENTS</p> <p>The Government passed a new Electricity Act to update 75-year old legislation, fulfilling a compact requirement. Its new provisions have created a more conducive environment for private sector participation and investment.</p>
Water Sector Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
	\$64,210,589	\$56,401,583	\$30,627,442
<p>Increase human and physical capital and reduce the prevalence of water-related diseases by expanding the capacity of the Lower Ruvu Water Treatment Plant from 180 to 270 million liters per day; rehabilitating water intake and water treatment plants, and improving the existing distribution network in the city of Morogoro.</p>	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div> <div><div>Lower Ruvu Plant Expansion</div><div>Non-Revenue Water</div><div>Morogoro Water Supply</div></div> <div><div>PRESENT</div></div>		
<p>Projected Long-Term Results (Up to 20 years)</p>	<p>ESTIMATED BENEFICIARIES</p> <p>2,801,856</p>	<p>ESTIMATED INCREASE IN HOUSEHOLD INCOME</p> <p>\$113,000,000</p> <p>20-year projected benefits are based on the best, currently available, information and may be updated if new, more reliable, data are available.</p>	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Increase the number of household and commercial water connections; increase the water supply by 15 million liters per day in Morogoro; and increase water production capacity by 90 million liters per day at the Lower Ruvu Water Treatment Plant servicing Dar es Salaam as per compact objectives. The latter intervention will be realized upon completion of the separately funded Lower Ruvu Transmission Main Upgrade Project.</p> <p>PROGRESS TO DATE</p> <p>Construction contracts for the expansion of the Lower Ruvu Water Treatment Plant and rehabilitation/expansion of the Morogoro water supply system were signed in late 2010 - early 2011. Construction is underway.</p> <p>PROJECT ACHIEVEMENTS</p> <p>The works at the Lower Ruvu Water Treatment Plant and the Morogoro Water Treatment Works continue to progress towards an on-time completion.</p>

The cancellation of the Malagarasi hydropower activity due to environmental concerns, resulted in the following alternative activities: 1) conducting a feasibility study for a 41 MW hydropower plant (completed); 2) rehabilitating sections of the Kigoma transmission and distribution network (works now commencing); and 3) instituting a solar photovoltaic program for public, business and household sectors in Kigoma and Kasulu (work underway).

Total contract commitments for the Transport Sector Project are listed higher than the project costs as of March 2012 due to an accounting timing difference that arose when allocating funding contributions of both MCC and Government of Tanzania. If there were no timing difference, the correct contract commitment figure as of March 2012 is \$363,865,273. The timing difference will be addressed for the quarter ending June 2012.

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.

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